VERA/VSIP Questions and Answers

Q1 Define Voluntary Separation Incentive Pay (VSIP).

Answer: During an open window period, an employee may volunteer to resign or optionally retire with incentive pay in order to lessen the impact of a RIF. If the employee's request is approved, the employee receives up to $25,000, or severance pay, whichever is less. Incentive pay is paid in a lump sum amount.

Q2 Define Voluntary Early Retirement Authority (VERA).

Answer: Voluntary Early Retirement Authority must be approved by DOD. During the open window period, an employee may volunteer for early retirement. Employee must meet the eligibility for early retirement. In most cases incentive pay (VSIP) is offered along with VERA.

Q3 If the person takes VERA, can they turn around and apply for the position if we lose and it is a contractor that is going to run MILPO and that admin position? I think the answer was that if they take VSIP, they have to wait 5 years but if they take VERA they can turn around and re-apply right away. Right?

Answer: If the decision is to contract-out and if a person takes VERA (without a VSIP), they can apply for contractor jobs and work for the CA contractor running MILPO or other USAG functions. However, those who chose VERA will lose their Right of First Refusal (ROFR). This means that the CA contractor must first hire other adversely affected USAG civilians before hiring those who elected VERA or VSIP. After hiring ROFR employees, other contractor vacancies may or may not be available. It should be noted that not all CA contractor jobs will be vacant and available to ROFR employees. It is possible that the CA contractor may already have some employees working in managerial and other key positions.

If VSIP (separation or retirement with incentive pay/money) is offered and accepted, those employees also lose their ROFR, and they can immediately work for the CA contractor, if offered a job. However, VSIP employees generally must wait five years before returning to work for the Government in a GS or WG position. During the five year period, a VSIP employee can return to work for the Government as a re-employed annuitant, but (before returning) the employee must pay back the VSIP money received (gross amount, prior to taxes). In addition, as a re-employed annuitant, the employee earns the difference in pay between the new job's salary and the amount of their annuity. Also, while VSIP employees can work for the CA contractor, they "cannot" work for other government personal service contractors. Personal service contracts specify a type of individual with specialized skills and the contract is written for one individual.

Q4 Will there be a Voluntary Early Retirement Authority (VERA) or Voluntary Separation Incentive Pay (VSIP)?

Answer: If a RIF is required, VERA and VSIP authorities will be requested.

Q5 Will there be an incentive program for retirement?

Answer: The VERA and VSIP are considered incentive programs for retirement.

Q6 Will extensions be considered if incentives are offered?

Answer: No extensions will be made beyond the effective date of the RIF.

Q7 Are they going to come out with 5 and 5-25 years?

Answer: To our knowledge, there are no plans to offer a 5 and 5-25 years.

Q8 Which will come first: award announcement, VERA, VSIP, or RIF?

Answer: The announcement will be made first. VERA and VSIP windows, if approved, will be open after the announcement and before the RIF notices are issued.

Q9 When will I have to be off the rolls?

Answer: Management will determine the date to be off the rolls based on the outcome of the CA study, the REO/MEO, and funding.

Q10 What is the formula to determine eligibility for payouts?

Answer: Incentive pay is calculated based on the formula for severance pay as set fourth in 5 USC 5595; however, the maximum amount payable under VSIP is $25,000.00.

Q11 What is the "breaking point" to decide whether I should take VSIP or wait for possible severance pay?

Answer: As mentioned before, incentive pay is based on the formula for severance pay as set forth in 5 USC 5595; however, the maximum amount payable under VSIP is $25,000. Therefore, if the employee's severance pay would ordinarily be $12,000, the VSIP would be $12,000. Conversely, if an employee's severance pay would ordinarily be $30,000 the amount for VSIP purposes would be $25,000. You will not be eligible for severance pay if you are eligible for an immediate annuity; however, you may be eligible for VSIP.

Q12 Will I know the results of the RIF before I have the opportunity to apply for the VERA or VSIP?

Answer: No. VERA and VSIP are management tools used to avoid involuntary separation in a RIF. If approved, windows of opportunity will open prior to RIF notices being issued.

Q13 Will the number of VERA and VSIP approvals change with the different CA study outcomes?

Answer: Yes, the number of approvals will be based on the number of projected separations which will be determined by the final outcome of the CA study.

Q14 Is everyone that puts in for VERA or VSIP going to get approved or will management only approve certain positions?

Answer: Criteria for approving applicants will be established based on the outcome of the CA Study. Positions will be targeted to permit approval to prevent or minimize the need for involuntary separations.

Q15 If VERA/VISP is offered, will it be before or after RIF notices have been sent out?

Answer: If authority to offer VERA/VISP is requested and approved, the VERA/VISP window would be before RIF notices are sent out. A part of the request package for approval to run a RIF is the VERA/VISP information (e.g., how many employees applied for VERA/VISP, how many people are left, etc.).